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**UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF NEW YORK**

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In re:

Chapter 11

M RENTAL BROOKLYN LLC,

Case No.: 22-42858-

Debtor.

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DEBTOR'S AFFIDAVIT PURSUANT TO LOCAL RULE 1007

Pursuant to 28 U.S.C. § 1746, I, Rafi Manor, declare as follows under penalty of perjury:

1. I am the manager of the debtor and debtor-in-possession, M Rental Brooklyn LLC (the "Debtor"). I am also the principal of M1 Development LLC ("M1 Development")¹ who owns a ninety-nine percent (99%) interest in the Debtor. As such I am fully familiar with the facts and circumstances contained herein. I submit this Affidavit pursuant to Local Rule 1007-4 for the Local Rules of the Bankruptcy Court for the Eastern District of New York.

2. The Debtor is a limited liability company with its principal place of business in Brooklyn, New York. Realya Crown Heights LLC ("Realya") holds a one percent (1%) ownership interest in the Debtor.

3. This case was initially commenced under Chapter 11 of the United States Bankruptcy Code. There has been no pre-petition creditor's committee.

4. The Debtor's business is primarily to buy, develop and sell real property for a profit.

¹ M1 Development is a debtor-in-possession in the Chapter 11 Case Number 21-40977-nhl, pending before this Court.

5. The Debtor's asset consists of the real property located in the County of Kings, State of New York, known by the street address of 517 Brooklyn Avenue *a/k/a* 521 East New York Avenue, and formally described on the tax and land maps of the County of Kings as Block 1332, Lot 1 (the "Real Property"). The Real Property was initially purchased to develop and sell for a profit. The Debtor's plan of reorganization under Chapter 11 of the Bankruptcy Code revolves around the Real Property.

6. Annexed hereto as **Exhibit "A"** is a list of the 20 largest unsecured claims excluding insiders, including the name, address and the amount of the claim, and an indication of whether such claims are contingent, unliquidated, disputed or partially secured.

7. In addition to the unsecured claims raised above and included in **Exhibit A**, the Debtor's remaining liabilities consist of a mortgage, several mechanic liens against the Real Property and an agreed upon secured debt owed to Realya, pursuant to a restructuring support agreement (the "RSA")².

8. More specifically, the Debtor's secured liabilities include: (i) a mortgage to Stormfield Capital Funding I LLC ("Stormfield") in the disputed amount of \$3,500,000.00; (ii) a mechanic's lien to CHS Contracting LLC in in the disputed amount of \$74,000.00³; (iii) a mechanic's lien to Reg Consulting in in the disputed amount of \$117,000.00; (iv) a mechanic's lien to Rent A Unit NY Inc. in in the disputed amount of \$6,279.00; (v) a tax lien to NYCTL 2021-A Trust in the amount of \$98,925.73; and (vi) an agreed secured claim from a confirmation of the arbitration award to Realya, in the amount of \$2,124,758.19.

9. The secured liabilities initially arose when in order to secure a loan to develop and sell the Real Property, the Debtor executed a note and mortgage against the Real Property to

² The RSA will be submitted for the Court's approval during the Debtor's plan process.

³ Nothing herein is an admission as to the perfection or validity of any of these mechanics' liens.

Genesis Capital, LLC (“Genesis”). There came a time during the Covid-19 Pandemic and disputes arose between the Debtor and Genesis, where Genesis then allegedly assigned the note and mortgage to Stormfield. Immediately upon the assignment Stormfield commenced a foreclosures action.

10. In 2020, Stormfield filed a foreclosure action for the Real Property in the Supreme Court of the State of New York, Kings County. Summary Judgment has been denied to Stormfield and that matter is being actively litigated, and will be removed to this Court.

11. The Debtor intends to timely file a chapter 11 plan of reorganization, which would permit, among other things, the Debtor’s managing member, M1 to transfer its ninety nine percent (99%) equity interest to the remaining member Realya, so that Realya would maintain a one hundred percent (100%) interest in the Debtor. The Plan will further detail the Debtor’s intentions and ability under Realya’s ownership, to complete the construction required to sell the Real Property and litigate the claim of Stormfield.

12. As noted above, the Debtor intends to remove the Stormfield’s foreclosure action to the Bankruptcy Court. The Debtor intends to retain Blank Rome LLP, as special litigation counsel, in the removed action. Prior to the commencement of the instant bankruptcy, the Debtor asserted multiple defenses and counter claims to Stormfield’s foreclosure allegations.

13. The decision of the New York state court denying summary judgment to Stormfield raised serious issues as to the validity of that purported assignment.

14. The Debtor’s total liabilities at this point are approximately Six Million Three Hundred Fourteen Thousand Eight Hundred Ninety Four dollars and Ten cents (\$6,314,894.10).

15. The Debtor's substantial assets and books and records are located at 124-04 Metropolitan Avenue, Queens, New York, 11415. The Debtor does not have any assets outside the territorial limits of the United States.

16. It is estimated that the expenses for the 30-day period following the bankruptcy petition will be approximately Zero Dollars (\$0.00) and that receipts will be approximately Zero Dollars (\$0.00).

/s/ Rafi Manor

Rafi Manor

As Managing Member of M1 Development LLC
with a 99% interest in the Debtor

EXHIBIT

“A”

Fill in this information to identify the case:

Debtor name **M Rental Brooklyn LLC**
 United States Bankruptcy Court for the: **EASTERN DISTRICT OF NEW YORK**
 Case number (if known): _____

☐ Check if this is an
 amended filing

Official Form 204
Chapter 11 or Chapter 9 Cases: List of Creditors Who Have the 20 Largest Unsecured Claims and Are Not Insiders
12/15

A list of creditors holding the 20 largest unsecured claims must be filed in a Chapter 11 or Chapter 9 case. Include claims which the debtor disputes. Do not include claims by any person or entity who is an insider, as defined in 11 U.S.C. § 101(31). Also, do not include claims by secured creditors, unless the unsecured claim resulting from inadequate collateral value places the creditor among the holders of the 20 largest unsecured claims.

Name of creditor and complete mailing address, including zip code	Name, telephone number and email address of creditor contact	Nature of claim (for example, trade debts, bank loans, professional services, and government contracts)	Indicate if claim is contingent, unliquidated, or disputed	Amount of claim If the claim is fully unsecured, fill in only unsecured claim amount. If claim is partially secured, fill in total claim amount and deduction for value of collateral or setoff to calculate unsecured claim.		
				Total claim, if partially secured	Deduction for value of collateral or setoff	Unsecured claim
American Arbitration Asso 120 Broadway, 21st Floor New York, NY 10271		Arbitrators Compensation	Disputed			\$562.50
CHS Contracting LLC 157 E 91st St Brooklyn, NY 11212		517 Brooklyn Avenue Brooklyn, New York 11225	Disputed	\$74,000.00	\$5,490,000.00	\$74,000.00
Law Offices of Alan J. Waintraub, PLLC 125-10 Queens Blvd. Suite 311 Kew Gardens, NY 11415		Legal Services				\$40,000.00
RE One Stop Solution LLC 8809 92nd Avenue Springfield, MA 01138-5000		Service Agreement work performed on 517 Brooklyn Avenue	Contingent Unliquidated Disputed			\$274,000.00
Realya Crown Heights, LLC C/O Corporation Service 80 State Street Albany, NY 12207		517 Brooklyn Avenue Brooklyn, New York 11225		\$2,124,758.19	\$5,490,000.00	\$233,683.92
Reg Consulting The LLC 130 Post Avenue Westbury, NY 11590		517 Brooklyn Avenue Brooklyn, New York 11225	Disputed	\$117,000.00	\$5,490,000.00	\$117,000.00
Rent A Unit NY Inc. 543 Bedford Avenue #243 Brooklyn, NY 11211		517 Brooklyn Avenue Brooklyn, New York 11225	Disputed	\$6,279.00	\$5,490,000.00	\$6,279.00

Debtor **M Rental Brooklyn LLC**
Name

Case number (if known)

Name of creditor and complete mailing address, including zip code	Name, telephone number and email address of creditor contact	Nature of claim (for example, trade debts, bank loans, professional services,	Indicate if claim is contingent, unliquidated, or disputed	Amount of claim If the claim is fully unsecured, fill in only unsecured claim amount. If claim is partially secured, fill in total claim amount and deduction for value of collateral or setoff to calculate unsecured claim.		
				Total claim, if partially secured	Deduction for value of collateral or setoff	Unsecured claim
Smith Gambrell & Russell 1301 Avenue of the Americ 21st Floor New York, NY 10019		Legal Fees				\$32,520.68
Tri State Lumber 57 Milton Street Brooklyn, NY 11222		Trade debt	Contingent Unliquidated Disputed			\$9,633.00
Wifi Constructions LLC 1450 37 St Brooklyn, NY 11218			Contingent Unliquidated Disputed			\$25,760.00
Wifi Constructions LLC 145 37 St Brooklyn, NY 11218			Contingent Unliquidated Disputed			\$11,455.00